

STUDY BY THE STAFF OF THE U.S.

General Accounting Office

Management And Compensation Of Military And Civilian Federal Work Forces: Issues For Planning

Federal personnel costs continue to rise--estimated to reach \$125 billion in fiscal year 1981 for civilian, military, and postal personnel--and the need for more efficient and effective management of people becomes more pressing.

Effective personnel management is the key to achieving any agency's mission. Personnel management must not be viewed as an end in itself, but as a means to better program management. A fundamental philosophy of the Civil Service Reform Act is that all personnel functions be tied to achieving the agency's mission and that managers be held accountable for their performance and that of their subordinates in achieving agency goals.

This study identifies current and emerging issues related to managing and compensating the Federal work force and represents the perspective used in organizing GAO audit efforts in this area.



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Are the Federal personnel agencies successfully fulfilling their new missions and responsibilities?

How do State and local government personnel management problems impact on the efficiency and effectiveness of federally funded programs and what is the appropriate Federal role for improvement?

How can the Federal Government's system for producing personnel management and organizational research be improved?

CIVILIAN PERSONNEL MANAGEMENT LINES OF EFFORT

What can be done to better assure the effective use of work force planning?

The problem

Work force planning is the process by which agencies should (1) determine the optimum number and mix of personnel needed to accomplish their missions and (2) identify the volume and type of personnel actions needed during the budget or program period to obtain, develop, and maintain that needed work force. To be effective the process must not only be used for internal management and control but must also be an integral part in preparing and reviewing an agency's budget. For the work force planning process to be fully institutionalized it should also be part of the overall human resource management system.

Lacking a sound system, the allocation of resources to respond to changing priorities and budget cuts tends to be arbitrary. Further, the accountability of a manager to meet program and nonprogram objectives (e.g., upward mobility) is uncertain if resources allocated cannot be tied directly to the work to be accomplished.

It is also very important to recognize the relationship between work force planning and organization structure. Without an effective work force planning system, the ramifications of alternative organizational schemes cannot be accurately assessed.

Limited work has shown that most civilian agencies do not have effective means of determining their personnel needs. Further, even where sound planning systems are in place, their products frequently do not influence budget decisions. Some of the reasons for these conditions are (1) the lack of central leadership or incentives to do effective work force planning, (2) problems with methodology (e.g., work measurement), and (3) centrally imposed disincentives (e.g., across-the-board personnel cuts, average grade controls, arbitrary position ceilings).

We have allocated a significant number of resources to this line of effort for several reasons. First, effective work force planning has significant potential for reducing the size and cost of the Federal work force. Second, work force planning is intimately tied into other significant issues being addressed in the Federal personnel management area for which there is high congressional interest. For example, work measurement standards (an integral part of work force planning) not only form the basis for estimating personnel requirements but can also provide part of the foundation for performance appraisals and merit and incentive pay systems. Also, effective work force planning plays a critical role in assessing the opportunities for increasing the use of part-time employees and the opportunity to delegate work to personnel in lower grades.

Issues that need attention

Over the last few years, we have primarily studied military work force planning, generally focusing on work measurement systems. We have been able to help move military agencies to better integrate work force planning into their decisionmaking process, including budget decisions.

On the basis of our military work we learned that integrating sound work force planning into the decisionmaking process requires attacking the problem from a much broader base. We have to demonstrate the need to improve agency work measurement systems and must emphasize the importance of integrating this and other elements of work force planning into the budget process and agencies' other human resource management systems. We also found that strong leadership is needed to give the process the required impetus and to assure better follow through, including evaluation and assessment. Further, there are system disincentives that, unless removed, will continue to discourage work force planning development and implementation.

We have assignments in process, that will address the leadership issue, organizational structure ties, impacts of employment controls on specific personnel planning decisions, the linkage of work force planning systems to the budget process and human resource management systems; problems in methodology, especially work measurement; and guidance for determining work force requirements. In this regard, we believe the following questions and issues need further study:

1. What actions are needed to provide strong leadership and guidance to agencies which use work force planning systems?
2. What can be done to remove disincentives and barriers to work force planning, and what alternatives to these barriers are available for control and accountability?

3. What actions are needed by agencies to institutionalize work force planning systems?
4. What improvements are needed in methodology to simplify the design and implementation of systems and improve their reliability and use?
5. How can agencies better achieve needed organization change to assure best results at the lowest costs?

How can the Federal Government's systems for staffing be made more responsive, efficient, and cost effective?

The problem

Major changes in Federal staffing policies and practices have recently been instituted. The Civil Service Reform Act provided the basis for restructuring the system by allowing agencies to assume delegated authority for most staffing operations and encouraging managerial involvement in the process. Other changes may still be needed. Both recent and planned improvements emphasize the importance of employing the best possible people in the shortest period of time and at the least cost. The four areas that we see needing attention are recruiting, position classification, examination and selection, and appointments.

The large number of applicants for the few available Federal jobs results in great expense for OPM and the agencies and disappointment and frustration for many applicants. In this environment agencies would normally have to do very little to search for qualified applicants. The Garcia Amendment to the Reform Act, however, mandated a recruiting program for women and minorities to assure equal representation which will require agencies to develop a new recruiting strategy.

Position classification is used to group positions by kind of work, level of difficulty, and qualifications required, to insure equal pay for substantially equal work. As positions become more specialized, classification becomes more difficult. While personnel office position classifiers handle the technical aspects, managers prepare descriptions and design the jobs. A constant problem has been managers' use of overgrading to reward employees. In addition, standards must be kept up to date, especially those involving technology disciplines.

OPM's past examining and selection procedures have not been considered responsive to agency needs in terms of timeliness and the quality of those certified to an agency. A recently completed OPM task force study to improve competitive selection processes is now

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